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COMMON SENSE IN FOREIGN POLICY

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The intelligent appreciation of economic facts and an understanding of the forces at work in shaping international relations is my interpretation of common sense in foreign policy. For the elaboration of my views in this respect, I shall ask your indulgence.

The principal material purpose of human activity, I take it, is the satisfaction of economic wants by opening the resources of the earth to a wider distribution at lower cost. The remarkable advance in these directions witnessed in the last century by improved methods of transportation and communication and by the application of machinery in agriculture, mining and manufacture has been unequalled in history. The end and aim of thus promoting the material comfort and prosperity of mankind being assumed to be true, conflicts have arisen in modern times in the methods of bringing the aims to realization, either in the economic principle pursued or in the attempt by various groups to arrogate to themselves advantages not conceded by other groups. The effort, on the one hand, to maintain and extend the advantage of one group has often run counter to similar efforts of other groups.

Within the domain of a nation this conflict of interest has thus far been fairly well adjusted by municipal law. In the United States, such statutes as the Interstate Commerce Act, the Sherman Act, and the Federal Trade Commission Act, designed to prevent unfair competition, all evidence the continued purpose of the community to prevent unfair advantages by one group, interest or individual over the other. However short of perfection the system may still be, it has been amply manifested that when competition no longer adequately protects the interests of the public, governmental regulation and even governmental ownership

emerges as a check upon unfair advantage. The police power under the Constitution has served to impose ever greater burdens upon private property in the interests of the public welfare; and given free discussion and a free ballot our system is capable of adjusting itself to the expanding needs of a developing community, with its ever growing demands. The internal struggle now proceeding in many countries of the world is a reflection of this effort to adjust a political system to the increasingly insistent demands of important groups in the community; and in so far as that struggle ceases to be peaceful, it indicates the maladjustment of the political and legal machinery to the social or economic demands of the times.

In the international domain, we find this clash of conflicting interests possessed of but few instruments for conciliation or adjustment. Diplomacy, treaties, mediation, commissions of inquiry, arbitration, however effective they may have been in preventing many conflicts, and however promising they may be, have exerted but little influence in averting the trial by battle of those larger economic issues which lie at the foundation of most modern wars. Nations which unhesitatingly impose the restraint of law upon both the strong and the weak groups within the state, decline, notwithstanding Hague Conferences and arbitration agreements, to submit their more important international differences to adjustment by peaceful machinery. Impatient of such restraint when what they deem their "vital interests" are involved, they plunge into reprisals or war as the arbiter of the difference, and devote the periods between wars to the strengthening of alliances and physical resources so as to cope successfully with the prospective antagonist their very preparation frequently invites. War, of course, while a recognized method of adjusting international disputes, signifies in reality the breakdown of law, or if you will, the rule of the jungle. So defective is our modern civilization that at intervals all too frequent it sanctions in approving or reluctant impotence the armed clash of whole nations.

Why is this? Is it possible to prevent it? Are we going forward or backward?

Failure to understand the underlying causes of modern conflicts explains, in part, I believe, the apparent inability to prevent them. Mention has been made of the recent enactment of municipal statutes against unfair competition in the more advanced countries, coming as the outgrowth of a realization that powerful or unscrupulous groups or individuals seek to obtain advantages over others which are unfair, under a standard of business ethics created by the *mores* of our time. In the international domain, on the other hand, unfair competition flourishes among the great powers in a fashion that sooner or later must lead to conflict. No statutory code declares it to be unfair; for the attempt to monopolize the economic resources of backward nations by the creation of spheres of influence, mandates, protectorates or colonies, the effort to control markets, trade routes, cables and coaling stations, and by tariff barriers to obtain preferential treatment, discriminate against competitors, or stimulate home industry—all these are deemed worthy manifestations of state activity looking to national strength and prosperity. The fallacy lies in the fact that other nations seeking like outlets and instruments for their economic activity find their efforts thwarted or hampered by an advantage already gained or about to be gained by a rival nation; or a nation having secured control of a particular market, finds its predominance challenged by a new competitor. There being no legal machinery or any federal or international trade commission to adjust these conflicting interests, and the issue indeed presenting no question of legal right or wrong, each imperialist nation is driven by necessity to safeguard its own success in this continual struggle, by diplomacy and the force of arms, justifying its efforts under the name of self-preservation. Foreign policy is fashioned to the maintenance of supremacy in this struggle of the nations, and the fallacy in believing that any ultimate material benefit accrues to the people by engaging in this struggle, is what I would denominate as the primary manifestation of a want of understanding. Psychological repugnance and historical grievances, to be sure, often cooperate powerfully in producing conflicts, but in this day I regard the economic factor as of transcendent importance.

The growth of modern imperialism is coincident with the rise of the industrial system and the export of capital. Great Britain came out of the Napoleonic wars into a new era of industrial expansion and utilized her resources in coal and machinery in a happy combination with a strong navy and the then existing colonial system to extend British influence throughout the world. Her exports in goods and capital expanded British markets everywhere and led to that close association between the Foreign Office and the overseas investor which, except in Latin America, has all but insured the investment, and would, but for the Monroe Doctrine, have had the same result in Latin America. How far the masses of the British people have benefitted by this policy of overseas investment is questionable, according to Mr. C. K. Hobson, the English economist.

I will not undertake to detail the ramifications of the alliance between finance and politics, but that finance has had a vital influence in dictating political control no informed statesman or economist will deny. It was around 1850 that France began to accumulate capital for foreign investment, and tangible evidence of its influence in foreign policy is found in the fact that the alliance between Russia and France, which was so important a factor in the diplomatic background of the war, traces its origin to the first loan of 500,000,000 francs by French bankers to Russia in the late eighties. Further loans by France were conditioned upon the use of the money in particular directions. Germany entered the race at the end of the seventies and her rapid strides in combining commercial expansion with political influence in the Near East, with its threat to the political interests of Russia and England, had as much to do with the causes of the Great War as any other single factor. More recently Japan and the United States have entered the lists as foreign investors and whether they can resist the temptations of imperialism, with its dangers of conflict with competing imperialisms, is a question that the next decade or two will answer for us.

Our own record in the growth from the agricultural to the industrial stage, and thence from the mercantile to

the financial stage, from the status of exporters solely of raw materials to exporters of manufactured products has not been fraught with immediate political threats to foreign powers. Such political effects as have followed our quest for world markets have been confined principally to countries in and around the Caribbean, and there other factors also entered into the situation. We would probably not be administering Haiti today, but for the fact that France threatened to intervene if we didn't. Moreover, our control in those countries, speaking generally, is not conducted with any view to an American trade monopoly, as the foreign trade statistics of those countries for the last ten or fifteen years will attest. Our Philippine adventure was not premeditated but came as one of the unsolicited consequences of a successful war. On the whole, it cannot be said that we have exploited our position, and I have little doubt that if we could obtain assurance against the Philippines falling into the hands of an imperialist government, they could, like Cuba, have their independence almost any time. It is my opinion that, taking conditions as they are, and admitting many of the mistakes of our responsible and irresponsible officials, our policy in Central America and the Philippines as receivers in bankruptcy or self-appointed guardians, still furnishes one of the cleanest pages in the history of imperialism. It is a comparatively new game for us and was not entered upon with premeditation. We may improve with further experience, or we may, following European example, grow worse. The American people should be able to control the policy to be adopted.

But now new forces are in operation and the avoidance of international conflicts will require an unusual degree of common sense on the part of the administration and on the part of the people. Unless the people awake to the importance of foreign policy in its effect on their personal welfare, there is little hope, notwithstanding improved machinery, for any more sensible adjustment of international differences than the recent past has demonstrated. Some of the more obvious of the factors requiring attention and popular vigilance I shall take the liberty of pointing out as I proceed.

We have come out of the Great War with a trade balance of some ten billions and large loans to foreign governments. The gap will be difficult to close. We have already received much gold and bought back several billions of our foreign-owned securities, thus reducing our foreign interest requirements. Our merchant marine will reduce our payments abroad under this head. Being one of the few manufacturing countries whose industrial plant is apparently in good condition our exportable surplus will doubtless be large for many years. Countervailing factors, of course, are brought into operation as a result of these very facts. The unprecedented favorable trade balance has unbalanced exchange rates to such an extent that European merchants can buy from us only by paying excessive prices, and that has already curtailed our exports. If the world's credit structure is to remain unimpaired, Europe must ultimately repay us in goods and it would be wise policy for many reasons, not least of all, the interests of American consumers, to stimulate such imports in every way.

But one of the obvious methods of squaring the account is by investing our accumulated capital abroad, and this process has grown to unprecedented proportions since 1914. It would be very active today but for the fact that the financial world has little confidence in European stability, due, I believe, to the economic errors of the Treaty of Versailles, to which I shall advert in a moment. In the meantime, our investments abroad, in Latin-America and elsewhere, will bring a large volume of trade in their wake and our merchant marine is equipped to carry the products of our enlarged manufacturing capacity to all parts of the world. The adoption of a consistent foreign policy will inevitably become necessary. What form will it take and what factors will enter into consideration?

There is now a pressing demand from our large commercial and financial interests for an expansion of our foreign trade and of our merchant marine. Both results can be achieved, but the effort will encounter certain obstacles, to the negotiation of which foreign policy will have to be directed. Just as *laissez-faire* has been forced into con-

stantly smaller compass in domestic economy, so in international commerce the same phenomenon is apparent. Notwithstanding the intimate relation between the British Foreign Office and the investor, the British trader until lately enjoyed a considerable measure of *laissez-faire*. Its success constituted its justification. But as German trade in one quarter after the other entered into successful competition, the adoption of German foreign trade policy met with greater favor; and it now seems likely that the German cartel system and export associations and syndicates and the plans for governmental and trade coöperation will to a considerable extent be adopted by England and other exporting nations. The British Manufacturers Corporation, the British Trade Corporation, the reorganized Board of Trade with its Departments of Commerce and Industry and Commercial Intelligence, the various Trades Committees, all indicate that ever-growing coöperation between government and commerce which in its present general form is a recent phenomenon of foreign policy. We have already indicated our adherence to the principle by the creation of such governmental organs as the War Finance Corporation and the United States Shipping Board, and by such statutes as the Webb Act and the Edge Act. The promoting functions of the State and Commerce Departments will also doubtless be enlarged. Moreover, it is common knowledge that for the last half century European bankers making loans to governments have almost always obtained the preliminary consent and worked in coöperation with their Foreign Offices. Our own State Department is not only consulted by American bankers in the making of foreign loans, but new loans made to any country around the Caribbean by any bankers are not likely to be made without the acquiescence of the State Department. A sudden aversion to "dollar diplomacy" in 1913 induced a withdrawal of the American bankers from the Six Power Loan to China, President Wilson stating that there should be "no entangling foreign alliances even in respect to arrangements for supervising the financial compacts of weaker governments . . . the responsibility of the United

States in the Six-Power group is obnoxious to the principles upon which this Government rests." But in 1918, American participation seems no longer to have been obnoxious to those principles, for Mr. Wilson approved our joining the Four-Power consortium, committing this Government to an extent unasked by the bankers in 1913. The official statement of the Department of State published July 29, 1918, reads in part: "the American government will be willing to aid in every way possible and to make prompt and vigorous representations and to take every possible step to ensure the execution of equitable contracts made in good faith by its citizens in foreign lands." It would not be easy to find a more complete reversal of foreign policy than is embodied in the declaration just quoted. Several proposals to refund the Honduran debt have been disapproved by the Department, and similar disapproval of the Pearson oil concession in Colombia, it will be recalled, induced those important British interests some years ago to withdraw from the field. We must assume that this is done by virtue of a liberal interpretation of the Monroe Doctrine and to forestall political differences; but it indicates the intimate relation between Government and private enterprise which modern international politics discloses on every hand.

To obtain as free an outlet as possible for our expanding commerce will require the fullest governmental coöperation, and diplomacy will inevitably be involved. Then too will come the urgent need of those trained men whom we now find it so difficult to attract to the public service. As European governments recover their strength in competition, tariffs and preferences of various kinds will appear as cards in the game. The proposed imperial policy of Great Britain by which trade between the mother country and the colony is mutually to be promoted is a reminder of a colonial policy which prevailed a century ago. Its enforcement today to the disadvantage of foreign powers is likely to have large political consequences.

Within a phenomenally short time we have become the second maritime power, with nearly ten million tons of

shipping. As it is deemed important that American commerce should not have to rely on foreign bottoms, and as it is known that American ships are, by reason of fairer treatment of crew and better pay to builders, more expensive to operate than foreign ships, methods are now being proposed to insure us against American ships escaping to foreign flags and to promote American shipbuilding. A proposal which is now meeting favor is to give to goods imported in our vessels a tariff rebate, and thereupon abrogate numerous treaties. The device may prove distasteful to foreign governments, which may adopt countervailing restrictions. For example, it is conceivable that coaling stations in various parts of the world may refuse to sell bunker coal to American vessels; or foreign countries may discriminate against American goods or vessels. It is true that our distinctive interpretation of the most-favored-nation clause has not had serious results, and it may be that the discrimination proposed would not encounter retaliatory measures; but I am inclined to believe that under present conditions, when the recent belligerents are exerting every effort to recover and strengthen their economic position such a measure as that proposed will not go unchallenged. That it constitutes a decided violation of Point Three (on "economic barriers") of the famous Fourteen, has been overlooked by some of its advocates.

Again, a manufacturing and trading nation must have assured access to basic raw materials, and the quest for and control of raw materials, such as coal, iron and oil are likely to weigh heavily in the shaping of foreign policy during the next few decades. The pressure of a growing industry was combined with the revival of a historic claim to induce Germany to annex the iron fields of Lorraine in 1871, and unless her demand for raw materials is satisfied in Russia or elsewhere, we are likely to see considerable trouble in the future over Alsace and Lorraine. More recently oil has loomed up as the motive power of the future, and the desire to obtain an assured supply has inspired much of the diplomacy of the recent past and will doubtless influence greatly the immediate future. It has not gone unnoticed,

I assume, that Mesopotamia and Syria have not wanted for mandatories, whereas barren Armenia seems to have a good deal of difficulty in finding one. Indeed, it is common knowledge that Great Britain, always the most foresighted of nations, has adopted a governmental oil policy by which she hopes to control for British interests the oil supplies of all British possessions, from the United Kingdom to the smallest mandatory, and of as many other nations as possible, and expects to "buy into" such of the foreign oil companies as she can. An article in *Spelling's Magazine* last year explained the policy frankly; and more recently Mr. Walter Hume Long of the British Cabinet has given us a very convincing expression of his views on the subject. When it is recalled that our Geological Survey estimates that our own oil resources, at present rates of consumption, will be exhausted in twenty years, it is apparent that our quest for oil must more than ever be directed toward foreign fields. If there we encounter conflicting claims previously staked out by other nations, or if we are placed in the position of having to buy our oil from more favored nations at their price and conditions, its effect on our foreign policy will be readily apparent.

II

With these facts in mind, I wish to direct attention to the Treaty of Peace and to some of the events and phenomena of current history in order to point out what seem to me to be the lessons of the day in foreign policy. It is my belief that by an unbiased discussion and consideration of facts and the effort to draw honest conclusions from them our government and our people may be enabled to avoid some of the more obvious pitfalls of the immediate future. If, in the expression of my opinions, I should challenge some popular beliefs or what seem to me to be illusions, I trust my ideas will be received under the admitted limitation, so ably expressed by Mr. Justice Holmes, "that the best test of truth is the power of the thought to get itself accepted in the competition of the market."

It is my conviction that the American people have less knowledge of foreign affairs than any people of Europe, due partly to our traditional isolation from international politics and partly to defective education. This innocence, combined with the crusading instinct of a pioneer in political liberty, makes our people peculiarly susceptible to a foreign policy of idealistic phrase-making and to the machinations of the propagandist. An examination of the facts and the effort to think upon them independently, so prominent in our political literature on foreign affairs down to 1860, seems now to be exceptional only. Emotion seems to have replaced logic in the consideration of events. Perhaps the movies or the kaleidoscopic daily newspaper have something to do with this responsiveness to emotional stimulus and want of critical analysis. At all events, it has not yet penetrated the popular consciousness that, as I believe, the professed purposes of "making the world safe for democracy," defeating militarism, promoting a lasting peace, preventing war and establishing a new principle of coöperation among the nations to bring about these ends are, in the realm of fact, conspicuous by their absence in the terms of the settlement. The terms of the Treaty proper impress the conviction that while preponderating force can terminate a war, as John Bassett Moore has expressed it, it is no guaranty of peace. Indeed, one hazards little in predicting that there is more war than peace likely to issue from the treaties of 1919, with their Balkanization of Eastern Europe and their challenge of fundamental principles of economics, as pointed out by Mr. Vanderlip. Efforts to amend the treaties seem to produce a hostile reaction from one or other of the Allies. The authors of the League of Nations, creating their own major premise in disregard of the substantive facts of the Treaty of Versailles and the minor treaties, and of the existing international economic system, have devised an elaborate machinery to stop the outbreak of war after its causes have been allowed, as in the past, freely to operate and ferment into hostility. However sympathetic we may be to the idea, the superstructure is out of harmony with its foundations, and this seems to me

an insuperable obstacle to success. That we have had similar leagues in the past, professing the same purposes, has been apparently dismissed from consideration, and the greater enthusiasm and credence aroused by this league is attributable, I believe, to a natural tendency, in time of crisis, to grasp at a panacea. The founders profess in a tense moment of history to have established a League for Peace, when they were unable, after full deliberation, to establish such a comparatively unimportant body as an International Prize Court. It is already apparent to many students of international affairs that the League of Nations, cordially as we may endorse its announced purposes, is, as I fear, essentially a military alliance of the principal victors, attracting to themselves a considerable number of neutrals who expect to profit by the association. Time will tell whether the history of this alliance will differ greatly from that of its predecessors. Unless I am greatly mistaken, it will last as long as the interests of the major members remain identical.

Can we find any present justification for a hope of peace? Are we going forward or backward? The question deserves passing consideration. It was fairly generally accepted during the war that our only chance of prolonged peace lay in disarmament, and the Covenant met that conviction by making provision therefor. With the enemy disarmed, the popular mind was encouraged in the belief that disarmament might be realized. As a matter of fact, the tendencies, I submit, are all the other way. The imperialist nations, notwithstanding the best of intentions and the pressure from taxpayers, do not dare to disarm for fear of losing their place in the sun and in the intensive competition for markets and raw materials which is now in process of development, a competition which at any time may require military support. Each nation has a satisfactory reason, conclusive upon its national conscience, why disarmament is impossible for it, although it would lend hearty encouragement to the disarmament of other countries. I do not charge this to evil influence in Government. The fundamental instinct of self-preservation, under the system of

international rivalry, motivates the policy. The fault is a manifestation of the weakness of the international order, in which I can, with the best of intention, find no tangible evidence of improvement.

We were encouraged to believe that international law would be strengthened by the Peace. The result, I venture to believe, is quite the contrary. Time forbids a detailed analysis of the Treaty in this regard; but attention may be called to one of the many dangerous precedents adopted in the Treaty. While it was proper to punish the German Empire for its admitted violations of law, the victors should themselves have manifested greater respect for the restraints imposed by law and long-established international practice. For law is intended to bind the strong as well as the weak. Since 1815, the doctrine that private property is immune from seizure to satisfy public obligations, has been deemed a fixed principle. It was an application of a distinction, incidental to the advance of civilization and enunciated in a classic phrase of Rousseau, between the public forces of the state and the private citizen. While the war had done much to wipe away the distinction, it was a shock to find that the Treaty adopts the principle of the practical confiscation of private enemy property and investments. The danger in this precedent can hardly be overemphasized. Not only does it subject every foreign investment to the precarious contingencies of war and peace, from which it should be completely removed, but it constitutes an assault from above upon the sanctity of private property at a time when that institution, which lies at the foundation of our social structure, is being challenged from below in a degree never before known. Should the principle prevail, disarmament becomes more remote than ever, for not only the integrity of public but of private property would now depend upon success in arms. This is only one of the many steps backward which in my opinion the Treaty has sanctioned.

Other recent phenomena likewise merit consideration. Prominent among these is the anti-alien legislation of many countries designed to keep out the foreign emigrant and

the foreigner's business. This will probably have considerable future effect. The period between 1880 and 1914 had witnessed a freedom of migration and economic activity which made overpopulation easily dilutable throughout the world and gave ready opportunity by economic freedom and liberality of corporation laws to the mobility of capital and entrepreneurs. The period since the war has witnessed a reversion to the restrictive policy of the 18th and early 19th centuries. Such measures as the Paris Economic Resolutions and the Balfour Report, the British Non-ferrous Metal Industry Act and similar measures adopted in various degree and kind by other countries, all designed to prevent competition from more favored or skillful producers and promote home or strategic industries for the purpose of achieving economic self-sufficiency and independence from reliance upon foreign supplies, not only increase the burden resting upon consumers but constitute measures of economic warfare which are likely to promote political hostility. I sympathize with the unfortunate dilemma of the gentlemen who are responsible for the Treaty—to punish Germany adequately and obtain reparation and yet preserve peace and the economic stability of Europe. On the horns of that dilemma, Europe is now impaled. However much the situation excuses their shortsightedness, the lessons of the last year and a half should have warned them of what in all probability lies before.

Certain obvious truths require brief mention in the correct public appreciation of an enlightened foreign policy. First, the assumption that your own motives are always higher and purer than those of others may be soothing to the conscience, but carries no conviction to your opponents or necessarily to third parties. Every act of imperialistic expansion is accompanied by invocations on the altar of self-sacrifice. Its motive will usually be found in a service to "humanity," a word used or abused in recent years with poetic license. For example, Japan a few days ago in a proclamation opposing a separate state in Siberia asserted "that Japan will not tolerate in any country close to Japan any political organization designed to interfere with world

peace and to defy humanity." Those who invoke our divine mission to "clean up Mexico" doubtless are comforted by the air of self-righteousness embodied in the proposal and easily overlook some of its more sinister implications. Again, no war since 1815, according to the usual statements of historians and statesmen of the respective belligerents, has been anything but a war of defense. Military alliances are always characterized as "defensive."

Secondly, the ability to see ourselves as others see us seems particularly essential. The interpretation by the Senate majority of the Monroe Doctrine, arrogating to ourselves to the exclusion of the League of Nations any privilege of interference in Latin-American disputes has aroused a storm of protest in intellectual circles among our sister republics. Our long delay in liquidating the Colombian obligation and conditioning its discharge upon reciprocal advantage has been generally disapproved throughout the southern continent. Our control over certain Central American and Caribbean countries, not, I believe, fully understood, has done much to impugn our motives in Latin America. Our shifting and unintelligent attitude toward Mexico, sometimes dignified by calling it our Mexican policy, has weakened our prestige in Latin America. Indeed, should the counsels of armed intervention ultimately prevail, we may find a repercussion throughout Latin America which will embody the first consistent challenge to our interpretation of the Monroe Doctrine and may involve us in conflict with other powers. It must be remembered that Latin America, while conceding that the Monroe Doctrine properly serves to keep European political control out of America, does not admit any corollary by which United States control is to be substituted. One step in diplomacy leads to the next, and the world is now, more than ever before, a house of cards. Had Austria appreciated this fact, the world war would probably not have occurred in 1914. Moreover, reliance upon permanent friendship among nations is likely to prove most tenuous in times of test, if history has any meaning. While deep-seated hostility unfortunately is a common phenomenon, such as

the eternal feud between France and Germany, the much-vaunted ties of friendship are easily broken when political conditions require. Another phenomenon is the belief, apparently entertained in high quarters, that all peoples can accommodate themselves or mould their institutions to fit our Constitution. It is a manifestation of the passion for uniformity often nurtured by illiberal minds. It has much to do with the misfortunes of Mexico. The Constitution among us has experienced changes which have altered much of its original conception, and properly so, for it could not survive if it could not adjust itself to the genius of each succeeding age and its social demands. But to impose it on other peoples to whose institutions it does not respond, is likely to produce friction and not peace.

Finally, a new factor in foreign policy, of exceptional importance, requires intelligent consideration to avoid misguidance. I refer to the press and organized propaganda. Never before in history has the world been subjected to so much misinformation, carefully prepared to advance a political cause. With the skillful aid of an official censorship which surpassed all military needs in the suppression of facts, the people have been almost helpless in their effort to learn the truth. The sources and channels of the news were polluted. Diplomacy has found the department of propaganda as essential an adjunct as the army and navy, and against its machinations the struggle is difficult. I do not condemn the press too severely, for often they are as much sinned against as sinning. Were I to characterize the position in my own language, I would not be so severe as the expert whom I shall take the liberty to quote, but I believe it well for our people to ponder the words of such an authority as Mr. Charles Grant Miller, lately editor of the *Cleveland Plain Dealer*. He says in the trade journal, *Editor and Publisher*:

For five years there has been a world-wide famine in facts. Truth, the whole truth, and nothing but the truth, about anything of grave public interest, seems to have disappeared from the face of the earth. The date line is no longer any sign of the real source of news. Assertion is little indication of the truth. The news of Russia, the Balkans, the Bosphorus, and Central Europe

mostly originates in London or is trimmed to London's shifting interests; tidings of conditions in England, France and Italy are carefully strained through the foreign loan centers of Wall Street; and where all the rest of the worldful of interested if not interesting misinformation comes from the Lord only knows.

The only defense against these forces of perversion is the cultivation of intelligent opinion by a critical press and public. Whether that end can be achieved I am not sure, for the task, in face of the prevailing adverse conditions, is very nearly insuperable. In foreign affairs, our public in general is so devoid of any background of information that the professional propagandist has a fairly easy task. The only safeguard lies in education of the people, itself made difficult by the propagandist, and in the development of a body of journalists and editors who will manifest at least as much regard for the interests and good name of their own country as they do for the interests and policies of other countries.

Appreciation of these facts and forces, I believe, is essential to the development of an intelligent foreign policy. Unless the economic foundation of international relations is better understood, there will always be danger of the falsification of issues and the confusion of public opinion by astute or irresponsible politicians and by emotional or uninformed journalists. Such understanding will also serve to give a healthier and more reasoned direction to our collaborative efforts in the building of a more stable international order. Instead of carrying out policies thought out for us in foreign capitals and ostensibly founded on permanent moral or political principles, we shall be able to contribute to the promotion of the general welfare by a sound judgment of the present effect and probable future consequences of our foreign policy. The necessity for enlightenment in this respect was never more apparent than now. I do not believe that in modern times the world has faced a greater crisis than that before which we now stand. A continuation of the unenlightenment from which the present governments of Europe seems unable to escape is almost certain to lead to future wars, an eventuality which would threaten not only present political

systems, but the economic system as well. The intelligent coöperation of the world's economic statesmen seems to me, therefore, imperative, if we are to avert the dangers ahead. Mere political coöperation—at best temporary and fluctuating, and never sufficiently informed, impartial or farsighted—will not solve the immediate problem. I would not oppose collaboration by this Government in any coöperative effort, by common counsel or definite action, calculated to relieve the periodic tensions produced by the present international competitive system, with its absence of all restraint upon unfair competition; and I am even hopeful that some day the world may see a centralized body appointed by the nations with authority to allocate raw materials and capital according to economic needs. Such an institution would, I believe, more nearly solve the problem of war than any now in existence. But now and at all times a foreign policy informed by a major premise of fact and not fancy is essential to the welfare of the nation.